

1920 State Teachers' Retirement System

The mission of the California State Teachers' Retirement System (CalSTRS) is: "Securing the financial future and sustaining the trust of California's educators." The System's primary responsibility is to provide retirement related benefits and services to 794,812 (as of June, 2006) active and retired educators in public schools from kindergarten through the community college system.

3-YR EXPENDITURES AND POSITIONS (Summary of Program Requirements)

	Positions			Expenditures		
	2005-06	2006-07	2007-08	2005-06*	2006-07*	2007-08*
10 Service to Members and Employers	568.0	557.2	603.3	\$69,159	\$89,198	\$99,295
15 Corporate Governance	-	8.0	9.0	-	910	1,274
20 Administration	146.1	151.5	164.9	30,632	33,277	35,558
99 Unclassified (Benefit Payments)	-	-	-	6,889,242	7,641,375	8,402,208
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	714.1	716.7	777.2	\$6,989,033	\$7,764,760	\$8,538,335
FUNDING				2005-06*	2006-07*	2007-08*
0835 Teachers' Retirement Fund				\$6,958,670	\$7,727,690	\$8,498,155
0995 Reimbursements				470	339	339
8001 Teachers' Health Benefits Fund				29,563	36,291	39,291
8005 Teacher's Replacement Benefits Program Fund				330	440	550
TOTALS, EXPENDITURES, ALL FUNDS				\$6,989,033	\$7,764,760	\$8,538,335

There are also non-add General Fund (0001) retirement contributions to CalSTRS in the amounts of \$1,081,064 for 2005-06, \$958,574 for 2006-07 and \$1,048,325 for 2007-08 (See 6300 State Teachers' Retirement System Contributions). Also note that the expenditures for funds 0835, 8001, and 8005 include unclassified expenditures for benefit payments, which are detailed in the Detail of Appropriations and Adjustments.

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Education Code, Title 1, Division 1, Part 13.

DETAILED BUDGET ADJUSTMENTS

	2006-07*			2007-08*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Baseline Adjustment Descriptions						
• Changes to Unclassified	\$-	-\$76,933	-	\$-	\$683,900	-
• Other Baseline Adjustments	-	-	-	-	3,815	-
• Employee Compensation Adjustments	-	2,868	-	-	2,504	-
• Retirement Rate Adjustment	-	404	-	-	404	-
• Re-appropriation	-	3,546	-	-	-	-
Totals, Baseline Adjustments	\$-	-\$70,115	-	\$-	\$690,623	-
Policy Adjustment Descriptions						
• Other Policy Adjustments	\$-	\$-	-	\$-	\$12,838	60.8
Totals, Policy Adjustments	\$-	\$-	-	\$-	\$12,838	60.8
TOTALS, BUDGET ADJUSTMENTS	\$-	-\$70,115	-	\$-	\$703,461	60.8

PROGRAM DESCRIPTIONS (Program Objectives Statement)

10 SERVICE TO MEMBERS AND EMPLOYERS

The primary functions of the California State Teachers' Retirement System (CalSTRS) are as follows:

* Dollars in thousands, except in Salary Range.

1920 State Teachers' Retirement System - Continued

- Maintain a financially sound retirement system.
- Maintain an efficient operational system for the administration of CalSTRS.
- Continuously improve the delivery of benefits, products and services to CalSTRS members.
- Develop and improve upon benefits and products to CalSTRS members.

The Teachers' Retirement Board (Board) has exclusive control over the investment and administration of the Teachers' Retirement Fund. The Board makes rules, sets policies, and has the power and authority to hear and determine all facts pertaining to application for benefits under the retirement system. The twelve-member Board consists of four ex-officio members, including the Superintendent of Public Instruction, the State Treasurer, the State Controller, and the Director of Finance. The Governor-appointed members of the Board include three Public Members, one retiree of CalSTRS, one school board member or community college trustee. Three representatives are elected by active CalSTRS members.

Income to the CalSTRS is derived from contributions from members and employing school districts, appropriations from the General Fund, and investment earnings (see 6300-Teachers Retirement System Contributions for state contributions for benefits). The cost of administration is paid from the Teachers' Retirement Fund as provided in Section 22304 of the Education Code.

The CalSTRS is responsible for the determination and payment of benefits to members, retirees, and their beneficiaries, and for the distribution of information to all members, employers, and other interested groups. The CalSTRS Defined Benefit Program includes service retirement, benefits for survivors, and disability benefits. The basic retirement allowance is determined on the basis of a member's age, years of credited service, and final compensation. The member may modify the basic allowance by selecting a joint and survivor annuity option to provide benefits for their beneficiary after the member dies. Generally, the payments of benefits are made within 30 days following the effective date of the member's retirement.

EXPENDITURES BY CATEGORY (Summary By Object)

1 State Operations	Positions			Expenditures		
	2005-06	2006-07	2007-08	2005-06*	2006-07*	2007-08*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	714.1	757.1	757.1	\$36,691	\$43,367	\$44,263
Total Adjustments	-	-	64.0	-	2,257	6,471
Estimated Salary Savings	-	-40.4	-43.9	-	-2,325	-2,574
Net Totals, Salaries and Wages	714.1	716.7	777.2	\$36,691	\$43,299	\$48,160
Staff Benefits	-	-	-	12,852	16,842	19,359
Totals, Personal Services	714.1	716.7	777.2	\$49,543	\$60,141	\$67,519
OPERATING EXPENSES AND EQUIPMENT				\$50,248	\$63,244	\$68,608
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$99,791	\$123,385	\$136,127
4 Unclassified				Expenditures		
				2005-06*	2006-07*	2007-08*
Teachers' Retirement Benefits				\$6,859,598	\$7,604,935	\$8,362,658
Teachers' Health Benefits				29,314	36,000	39,000
Teachers' Replacement Benefits				330	440	550
TOTALS, EXPENDITURES, ALL FUNDS (Unclassified)				\$6,889,242	\$7,641,375	\$8,402,208

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

1 STATE OPERATIONS	2005-06*	2006-07*	2007-08*
0001 General Fund			
APPROPRIATIONS			
011 Budget Act appropriation, as amended by Chapter 39, Statutes of 2005	(\$1,081,064	-	-
)		
011 Budget Act appropriation	-	(\$958,573)	(\$1,048,325
)
Revised estimate per Provision 1	(-)	(1)	-
TOTALS, EXPENDITURES	\$-	\$-	\$-
0835 Teachers' Retirement Fund			
APPROPRIATIONS			

* Dollars in thousands, except in Salary Range.

1920 State Teachers' Retirement System - Continued

1 STATE OPERATIONS	2005-06*	2006-07*	2007-08*
001 Budget Act appropriation	\$118,205	\$115,873	\$134,143
Allocation for employee compensation	25	2,869	-
Adjustment per Section 3.60	-247	404	-
002 Budget Act appropriation	(106,000)	(106,000)	(104,726)
Revised estimate per Provision 1	(6,930)	(-)	-
Education Code Section 22954	63	63	63
Education Code Section 22307 (Admin Costs)	-	-	1,274
Prior year balances available:			
Item 1920-001-0835, Budget Act of 2004, as reappropriated by Item 1920-490, Budget Act of 2005	3,217	1,689	-
Item 1920-001-0835, Budget Act of 2005 as reappropriated by Item 1920-490, Budget Act of 2006	-	1,857	-
Chapter 903, Statutes of 2002	1,145	-	-
Chapter 442, Statutes of 2004	140	5	5
Chapter 935, Statutes of 2004	15	12	12
Totals Available	\$122,563	\$122,772	\$135,497
Unexpended balance, estimated savings	-19,928	-	-
Balance available in subsequent years	-3,563	-17	-
TOTALS, EXPENDITURES	\$99,072	\$122,755	\$135,497
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	\$470	\$339	\$339
8001 Teachers' Health Benefits Fund			
APPROPRIATIONS			
Education Code Sections 25930 and 25940 (Administration Expenses)	\$249	\$291	\$291
TOTALS, EXPENDITURES	\$249	\$291	\$291
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$99,791	\$123,385	\$136,127
4 UNCLASSIFIED	2005-06*	2006-07*	2007-08*
0835 Teachers' Retirement Fund			
APPROPRIATIONS			
Education Code Section 24202 (Benefit Payments)	\$6,433,749	\$7,098,406	\$7,832,694
Education Code Section 24414 (Purchasing Power Benefit Payments)	215,258	267,424	267,424
Education Code Section 22307 (Administrative Costs)	210,591	239,105	262,540
TOTALS, EXPENDITURES	\$6,859,598	\$7,604,935	\$8,362,658
8001 Teachers' Health Benefits Fund			
APPROPRIATIONS			
Education Code Sections 25930 and 25940 (Benefit Payments)	\$29,314	\$36,000	\$39,000
TOTALS, EXPENDITURES	\$29,314	\$36,000	\$39,000
8005 Teacher's Replacement Benefits Program Fund			
APPROPRIATIONS			
Education Code Section 24255 (Benefit Payments)	\$330	\$440	\$550
TOTALS, EXPENDITURES	\$330	\$440	\$550
TOTALS, EXPENDITURES, ALL FUNDS (Unclassified)	\$6,889,242	\$7,641,375	\$8,402,208
TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Unclassified)	\$6,989,033	\$7,764,760	\$8,538,335

FUND CONDITION STATEMENTS

	2005-06*	2006-07*	2007-08*
0835 Teachers' Retirement Fund ^N			
BEGINNING BALANCE	\$129,522,894	\$144,218,518	\$153,627,390

* Dollars in thousands, except in Salary Range.

1920 State Teachers' Retirement System - Continued

	2005-06*	2006-07*	2007-08*
Prior year adjustments	-139,823	-	-
Adjusted Beginning Balance	\$129,383,071	\$144,218,518	\$153,627,390
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
215000 Income From Investments:			
Purchasing Power Receipts (State Lands Royalties)	4,302	3,756	5,258
Other Investment Income	16,123,415	11,500,000	11,300,000
221000 Member Contributions	2,230,754	2,299,015	2,369,365
299000 State Contribution (Benefits Funding)	499,697	360,183	501,416
299000 Purchasing Power Receipts (SBMA)	581,367	598,391	546,909
299000 Purchasing Power Receipts (SBMA) Federal	83,520	24,480	-
299000 Employer Contributions	2,203,548	2,290,809	2,381,525
299000 Other Receipts	318	-	-
299000 Securities Lending Income (Net)	67,237	60,000	60,000
Total Revenues, Transfers, and Other Adjustments	<u>\$21,794,158</u>	<u>\$17,136,634</u>	<u>\$17,164,473</u>
Total Resources	\$151,177,229	\$161,355,152	\$170,791,863
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0840 State Controller (State Operations)	41	72	76
1920 State Teachers' Retirement System			
State Operations	99,072	122,755	135,497
Unclassified	6,859,598	7,604,935	8,362,658
Benefits:			
Retired Benefits	(5,912,895)	(6,543,801)	(7,242,024)
Disability Family Benefits	(139,235)	(146,782)	(154,737)
Survivor Benefits	(315,950)	(338,003)	(361,596)
Death Benefits	(65,577)	(69,820)	(74,337)
Subvention Payments	(92)	-	-
Purchasing Power Payments (SBMA and State Lands Royalties)	(215,258)	(267,424)	(267,424)
Other:			
Investment Advisors	(112,930)	(131,000)	(142,620)
Refunds	(97,453)	(108,105)	(119,920)
Transfer to Other Agencies	(208)	-	-
Total Expenditures and Expenditure Adjustments	<u>\$6,958,711</u>	<u>\$7,727,762</u>	<u>\$8,498,231</u>
FUND BALANCE	\$144,218,518	\$153,627,390	\$162,293,632
8001 Teachers' Health Benefits Fund ^N			
BEGINNING BALANCE	\$2,670	\$2,742	\$1,812
Prior year adjustments	-111	-	-
Adjusted Beginning Balance	\$2,559	\$2,742	\$1,812
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
221600 Contributions	29,602	35,361	38,580
250300 Other Receipts	144	-	-
Total Revenues, Transfers, and Other Adjustments	<u>\$29,746</u>	<u>\$35,361</u>	<u>\$38,580</u>
Total Resources	\$32,305	\$38,103	\$40,392
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
1920 State Teachers' Retirement System			
State Operations	249	291	291

* Dollars in thousands, except in Salary Range.

1920 State Teachers' Retirement System - Continued

	2005-06*	2006-07*	2007-08*
Unclassified	29,314	36,000	39,000
Total Expenditures and Expenditure Adjustments	\$29,563	\$36,291	\$39,291
FUND BALANCE	\$2,742	\$1,812	\$1,101
8005 Teacher's Replacement Benefits Program Fund^N			
BEGINNING BALANCE	-	-	-
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
221600 Employer Contributions	\$330	\$440	\$550
Total Revenues, Transfers, and Other Adjustments	\$330	\$440	\$550
Total Resources	\$330	\$440	\$550
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
1920 State Teachers' Retirement System (Unclassified)	330	440	550
Total Expenditures and Expenditure Adjustments	\$330	\$440	\$550
FUND BALANCE	-	-	-

CHANGES IN AUTHORIZED POSITIONS

	Positions			Expenditures		
	2005-06	2006-07	2007-08	2005-06*	2006-07*	2007-08*
Totals, Authorized Positions	714.1	757.1	757.1	\$36,691	\$43,367	\$44,263
Salary Adjustments	-	-	-	-	2,257	2,427
Workload and Administrative Adjustments:				Salary Range		
Executive:						
Executive Office:						
Associate Governmental Program Analyst	-	-	1.0	4,255-5,172	-	55
General Counsel:						
Legal Office:						
Associate Information Systems Analyst	-	-	1.0	4,467-5,431	-	57
Staff Services Analyst	-	-	1.0	3,538-4,300	-	46
Staff Counsel	-	-	1.0	6,347-7,828	-	82
Administration:						
Human Resources:						
Associate Personnel Analyst	-	-	2.0	4,255-5,172	-	109
Budget & Administration Research Services						
Associate Budget Analyst	-	-	2.0	4,255-5,172	-	109
Quality & Training Services:						
Staff Services Analyst	-	-	1.0	2,950-3,586	-	38
Division of Accounting:						
Staff Administrative Analyst	-	-	1.0	4,912-5,926	-	63
Associate Administrative Analyst	-	-	1.0	4,467-5,431	-	57
Associate Accounting Analyst	-	-	1.0	4,467-5,431	-	57
Senior Accounting Officer (Specialist)	-	-	1.0	4,255-5,172	-	55
Investments:						
Investment Br Mgmt & Support:						
Portfolio Manager	-	-	4.0	8,334-12,708	-	611
Investment Officer III	-	-	1.0	6,810-7,885	-	85
Investment Officer II	-	-	5.0	5,639-6,854	-	362
Investment Officer I	-	-	3.0	4,674-5,681	-	180
Office Tech-Typing	-	-	2.0	2,598-3,157	-	67

* Dollars in thousands, except in Salary Range.

1920 State Teachers' Retirement System - Continued

	Positions			Expenditures		
	2005-06	2006-07	2007-08	2005-06*	2006-07*	2007-08*
Corporate Governance:						
Portfolio Manager	-	-	1.0	8,334-12,708	-	152
Benefits & Services:						
Member Account Services:						
Associate Pension Program Analyst	-	-	2.0	4,255-5,172	-	109
Pension Program Analyst	-	-	7.0	2,724-4,300	-	269
Office Tech-General	-	-	1.0	2,551-3,103	-	33
Service Retirement:						
Pension Program Analyst	-	-	4.0	2,724-4,300	-	182
Disability & Survivor Services:						
Associate Pension Program Analyst	-	-	4.0	4,255-5,172	-	219
Enterprise Initiative Technology:						
Information Technology Services:						
Staff Information Services Analyst	-	-	3.0	4,898-5,955	-	189
Associate Information Systems Analyst	-	-	1.0	4,467-5,431	-	57
Senior Information Systems Analyst	-	-	1.0	5,388-6,548	-	69
Senior Programmer Analyst	-	-	2.0	5,388-6,548	-	139
Staff Programmer Analyst	-	-	1.0	4,898-5,955	-	63
Plan Design & Communications:						
Communications:						
Information Officer I	-	-	2.0	4,255-5,172	-	109
Information Officer II	-	-	1.0	5,137-6,198	-	66
Information Officer III	-	-	1.0	6,876-7,580	-	84
Staff Services Manager II	-	-	1.0	5,393-6,506	-	73
Office Tech-General	-	-	1.0	2,551-3,103	-	33
Graphic Designer III	-	-	1.0	4,223-5,134	-	54
Program Analysis:						
Research Analyst II-General	-	-	1.0	4,467-5,431	-	57
Client Outreach & Guidance:						
Associate Pension Program Analyst	-	-	1.0	4,255-5,172	-	54
Totals, Workload & Admin Adjustments	-	-	64.0	\$-	\$-	\$4,044
Total Adjustments	-	-	64.0	\$-	\$2,257	\$6,471
TOTALS, SALARIES AND WAGES	714.1	757.1	821.1	\$36,691	\$45,624	\$50,734

* Dollars in thousands, except in Salary Range.